

35297623

1368.382
129h
2005
c.3

Illinois Department on Aging



Governor Rod R. Blagojevich
Director Charles D. Johnson

421 East Capitol Avenue, #100, Springfield, Illinois 62701-1789
Phone: 217-785-3356, Fax: 217-785-4477, Web: www.state.il.us/aging

ILLINOIS STATE LIBRARY
MAY 04 2006
ILLINOIS DOCUMENTS

MEMORANDUM

TO: Members of the General Assembly

FROM: Charles D. Johnson, Director *CDJ*

SUBJECT: Long Term Care Partnership Insurance Project

DATE: January 30, 2006

As mandated by Public Act 89-525, I am providing you with the Illinois Department on Aging's report on the Long Term Care Partnership Insurance Project. This document is a comprehensive report on the activities of the four participating state agencies for the period of January 1, 2005 through December 31, 2005. These activities were conducted in partnership with the Illinois Department of Financial and Professional Regulation's Division of Insurance, the Illinois Department of Healthcare and Family Services and the Illinois Department of Human Services.

CDJ/rg
Enclosure

Respect for yesterday. Support for today. A plan for tomorrow.

ILLINOIS DEPARTMENT ON AGING
HEALTH CARE PARTNERSHIP FOR LONG TERM CARE

January 1, 2005 - December 31, 2005

INTRODUCTION

Public Act 89-525 requires the Illinois Department on Aging to report annually to the General Assembly regarding the implementation of the private-public long term care insurance partnership program. The Illinois Long Term Care Partnership Insurance Program is a partnership between an individual, the State of Illinois and a licensed insurance company. This program is designed to help persons protect their assets from the rising costs of long term care. The goal of the program is to encourage individuals to anticipate their long term care needs and to purchase private long term care insurance that meets state standards, thereby reducing dependency upon Medicaid.

PROGRAM ACTIVITIES

Policy Availability

Since April of 1996, the Partnership Policy has been available through three insurance companies, Conseco Services, L.L.C. (formerly known as American Travellers Life Insurance Company), Bankers Life and Casualty Insurance Company and Penn Treaty Network. Those interested in obtaining a free Shopper's Guide and informational brochure may call the Illinois Department on Aging's Senior HelpLine at 1-800-252-8966 (Voice and TTY).

Public Information Materials

The Illinois Department on Aging, along with the Illinois Department of Financial and Professional Regulation's (IDFPR) Division of Insurance, Senior Health Insurance Program (SHIP) did not distribute Shopper's Guides and informational brochures to the public in calendar year 2005, due to a lack of requests from the public.

Training

Agents

All agents selling long term care insurance policies are required to have at least six hours of training on long term care services and programs. The Partnership Program requires that all agents offering a Partnership Policy complete an additional six hours of training on the Partnership Policy. In calendar year 2005, no additional agents employed by companies certified to sell Partnership Policies in Illinois received this additional training.



SHIP Volunteers.

The Senior Health Insurance Program (SHIP), sponsored by the IDFPR Division of Insurance, provides one-on-one health insurance counseling to Medicare beneficiaries and their caregivers. SHIP has 180 offices, staffed by approximately 700 volunteer counselors, throughout the state. These volunteer counselors were trained by SHIP staff on all aspects of the Partnership Policy. Volunteer counselors also answer questions and advise Medicare beneficiaries on Medicare, Medicare supplemental insurance, Medicare Advantage Plans, traditional long term care insurance and other senior health insurance programs. SHIP provides a toll-free telephone line at the Division of Insurance to answer Medicare beneficiaries' questions and to refer them to their local SHIP office for one-on-one counseling. Additionally, information about the SHIP program is contained on the Division of Insurance website (www.ins.state.il.us). In calendar year 2005, SHIP staff and counselors provided over 15,000 hours of service for counseling sessions on health insurance-related topics.

MANDATED REPORT INFORMATION

a) The success in implementing the public and private partnership

Sales of Partnership Policies have been significantly less than anticipated. Over the years sales of partnership policies have been minimal. There were no new policies sold in calendar year 2005. In calendar year 2004 no policies were sold, and there were no policies sold in calendar year 2003.

b) The number and type of insurers and health care service plans with policies or contracts certified by the Division of Insurance

Penn Treaty Network America Insurance Company
3440 Lehigh Street
Allentown, Pennsylvania 18103
1-800-222-3469

Conseco Senior Health Insurance Company
11815 North Pennsylvania Street
Carmel, Indiana 46032
1-800-441-3978

Bankers Life and Casualty Company
222 Merchandise Plaza
Chicago, Illinois 60654-2013
1-312-396-6000

- c) The number, age, and financial circumstances of participants in the program who have purchased certified long term care insurance policies and health care service loan contracts which cover long term care services

According to the participating insurers, age and financial information of participants cannot be released without participants' policy numbers. Policy numbers are currently not maintained by the Partnership Program.

<u># of Partnership Policies Sold since 1996</u>			
<u>Insurance Companies</u>	<u>Total</u>	<u>2005</u>	<u>Active*</u>
Penn Treaty Network America Insurance Co.	None	None	None
Conseco Senior Health Insurance Company	Seventeen (17)	None	Four (4)
Banker's Life and Casualty Company	Fifteen (15)	None	Six (6)

* Note: An active policy means the insurance company is currently receiving premium payments.

- d) The number of individuals seeking consumer information services and advice from the Division

Shopper's Guides and informational brochures were not requested by the public in calendar year 2005.

- e) The number of participants actually receiving long term care services, Medicaid benefits, and in-home supportive services provided by the policies and health care service plan contracts which cover long term care that could count Medicaid resource protection

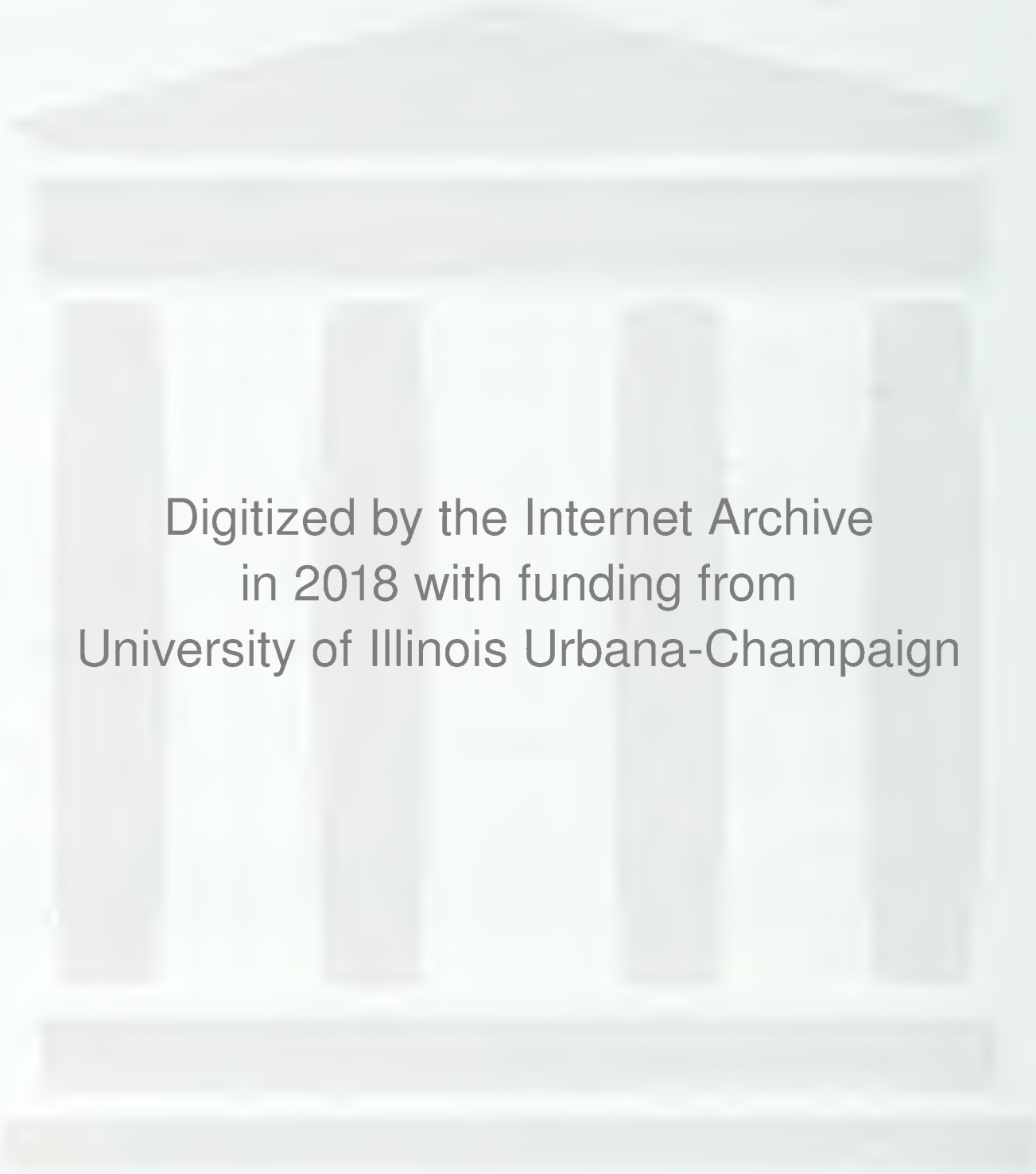
According to the participating insurers, this information cannot be accessed without policy numbers and the policy-holder names.

- f) Estimates of the impact on present and future Medicaid expenditures

Minimal, if any impact, given the nominal amount of policies that have been sold.

- g) The cost effectiveness of the program

Again, not determinable at this time due to the nominal amount of policies that have been sold.



Digitized by the Internet Archive
in 2018 with funding from
University of Illinois Urbana-Champaign

<https://archive.org/details/healthcarepartne2005illi>

h) A recommendation regarding the continuation of the program

It is apparent that the Long Term Care Partnership Insurance Project does not meet the needs and interests of consumers or insurers. It is recommended that the relevant state agencies establish a working group to determine whether this program should continue, and if so, what programmatic and policy changes would be necessary to ensure success.

UNIVERSITY OF ILLINOIS-URBANA



3 0112 121944885